

DRAFT Minutes
Pro Parks Levy Oversight Committee
June 26, 2006

Committee Members Present: Russ Brubaker, Chair; Lisa Chun, Gwen Colwell, Doug Dunham, Juan Garcia, Don Harper, Terry Holme, Jeff Hou, Cheryl Klinker, Joyce Moty, Alec Stephens

Staff: Ken Bounds, Superintendent; Carol Everson, Susan Golub, Michael Shiosaki

Committee Business: The meeting agenda was approved, as were the minutes from the April 24, 2006 meeting. Russ Brubaker introduced new Committee member, Juan Garcia. Mr. Garcia has been active in youth sports in his South Park neighborhood and with Cesar Chavez Park. Committee members introduced themselves to Mr. Garcia.

Public Comments: Joyce Moty told the Committee that John Beal, a long-time park supporter and volunteer at Hamm Creek and Marra Farm, passed away.

Development Project Update

Michael Shiosaki, the Pro Parks Levy Development Manager, provided the Committee with an update of development projects and anticipated use of the contingency fund. There is approximately \$2 million in the Neighborhood Park contingency fund and some in the Playfields fund. Parks is assessing whether to use some of the funds now, rather than waiting until the end of the Levy. An example of where an allocation of the contingency fund may occur is Georgetown Playfield. The project is conversion of the grass field to synthetic. The community wants the baseball field to accommodate high school ball which is played on a 90 foot diamond. For this to safely occur, fencing will be needed that was not included in the budget.

Superintendent Bounds stated that a full presentation will be made on the contingency fund at the Committee's July meeting. The contingency fund comes from interest earnings and money left when projects are completed under budget. There was no separate contingency fund established in the Levy. Questions to be addressed in July regarding how best to manage the contingency fund through the end of the Levy include:

- how much should remain in the fund to cover projects that will come in over budget; and
- should some of the funding be directed to Opportunity Fund acquisition projects that we anticipate will need more funding than is allocated, but where we have not yet acquired property.

Superintendent Bounds noted that the fields at Magnuson Park are the only remaining projects that will draw on the Playfields contingency fund (Georgetown Playfield is in the Neighborhood Parks category), and we anticipate an allocation to Magnuson. Mr. Brubaker asked how we have been doing regarding projects coming in at or under budget. Mr. Shiosaki replied that about $\frac{3}{4}$ of the projects have been at or under budget, with about $\frac{1}{4}$ over.

Mr. Holme asked how funds get reallocated. Mr. Shiosaki said that if a project is abandoned, the reallocation becomes a City Council decision. Otherwise, reallocation is a Parks decision. Mr. Harper asked if the contingency funds could be directed to a different purpose, for example, to purchasing property. Superintendent Bounds replied that to redirect money would require a $\frac{3}{4}$ vote of the City Council, and Parks would have to show that all projects within the original category of the funding have been completed. He noted that there probably will be some money left at the end of the Levy and there will be a process within the Oversight Committee for its allocation.

Mr. Stephens asked what the forecast is for spending on future projects, and questioned whether Parks was getting multiple bids. Superintendent Bounds said that if we add a 20% budget increase to each of the remaining projects, it would use approximately half of the \$2 million contingency fund. Mr. Shiosaki noted that lately projects have received 2-3 bids, which is less than it used to be.

Mr. Harper asked about cost increases in projects and noted that he was aware of significant increases in the cost of metals. Mr. Shiosaki stated that fuel costs are a big factor in everything, including synthetic turf which has petroleum in it. Also, sub-contractors are busy and not that interested in additional work, so often will submit high bids. In response to a question from Mr. Stephens, Mr. Shiosaki stated that Parks actively recruits contractor interest, trying to increase bid competition.

Mr. Holme asked what internal steps Parks takes to assess projects that are over budget and will receive contingency funds. Mr. Shiosaki replied that both for projects that come in over bid and for those where the design cost is over budget, review occurs in the Project Steering Committee, made up of Parks Division directors.

2006 Newsletter

The Pro Parks Levy 2006 Newsletter was passed out and kudos were directed to Joelle Ligon, Parks Public Relations Specialist.

Strategic Business Plan

Carol Everson, Parks Finance Division Manager, briefed the Committee on Parks Strategic Business Plan. The Plan provides guidance for what will happen in 2009 after the Levy has expired. Ms. Everson noted that 10% of Parks Operating Budget is from the Levy dollars. \$3.3 million is for project management and overhead. Staff costs get charged to projects, but overhead comes from the Operating Budget. Approximately 35 positions will be gone when the work is done. In addition, there is approximately \$200,000 in overhead for programming staff costs.

The Woodland Park Zoo receives \$2.8 million in Levy funds per year, and this amount is committed in the agreement between the City and the Zoo. A big question is where to get this money after 2009. Ms. Everson noted that King County approved a parks levy in 2003, but it did not include any funding for Seattle projects. Renewal of the Levy is one option for providing the Zoo funds, as is the City's General Fund. Ms. Everson noted

that if the City can't pay the Zoo commitment, the 2000 agreement between the Zoo and the City would be void, and the City might get back management of the Zoo.

Superintendent Bounds noted that a Metropolitan Park District, which Tacoma has, is another avenue for providing park funding. It requires a popular vote and capitalizes on the maximum amount that can be added to property taxes. It would generate a maximum of \$45 million per year. When the idea for a Levy was being considered, the City also considered a Local Park Authority which is similar to a Metropolitan park District. However, the State legislature did not approve the Local Park Authority.

Ms. Everson continued describing the impact of the end of the Levy on the Parks budget. The cost to operate and maintain new facilities developed by the Levy is currently \$1.3 million and this wedge will continue to grow to an approximate \$2.6 million at the end of the Levy. We have a commitment to maintain the new facilities and are working to determine how best to meet the operating and maintenance requirements. One option is to start transferring these costs to the General Fund before the end of the Levy in order to have a gradual, rather than abrupt, absorption by the General Fund.

Ms. Everson pointed out that in the Enhanced Maintenance category, the G.F. is gradually picking up these costs throughout the life of the Levy; the new amount needed to be taken on by the G.F. in 2009 for these programs will be zero. For the other Levy programs, unless alternative funding is found, the programs will end in 2009. Ms. Everson described some of the programs facing elimination:

- **Environmental Stewardship** includes education opportunities, Parks environmental performance, development of Best Management Practices, utility use reduction, and special maintenance for athletic fields and natural areas.
- **Recreation Programming** includes teen leaders, the teen program scholarship fund, Learn to Swim, wading pools, and transportation grants.

Mr. Brubaker noted the importance of moving the BMPs forward. Mr. Bounds responded that the BMP work has been completed, as have curriculums for environmental education, which Parks will continue to use in day camps after the Levy staff is gone. Ms. Everson explained Parks strategy regarding programming is to either meet the program objectives at a lower cost, or to increase revenue to operate the programs.

Cost reduction strategies include:

1. **Hub concept:** Create a program focus in community centers, with not all centers having all programs. For example, some centers would focus on teens and some on seniors. Superintendent Bounds noted that this was where Parks was before the Levy, recognizing that we can't do everything everywhere.
2. **Volunteers:** Use specialists to develop programs and others to deliver them. For example, perhaps use Americorps or docent volunteers, supervised by Parks staff, to deliver programs.

3. **Third parties:** Turn programs over to 3rd parties. For example, Parks employees could staff a building, with Associated Recreation Council staff managing the programming. The Langston Hughes Performing Arts Center, and the Green Lake and Mt. Baker rowing and sailing centers are examples of facilities where Parks manages both the building and the programming.

Examples of facilities where we have third party contracts to manage programming include Pratt Fine Arts Center, Green Lake Bathhouse Theater and Seward Park Arts Center. Each of these is managed by a non-profit responsible for their own fundraising, with Parks supplying major maintenance only.

Revenue replacement strategies include:

1. **Fees and charges:** Increase existing fees and/or create new fees for Parks programs. Parks currently generates \$10.2 million in revenue from fees and charges (excluding golf, the aquarium and the Conservation Corps). Concerns with this approach are to avoid commercializing Parks or limiting access.

Parks considered charging for parking at selected parks, which was estimated to generate up to \$700,000 per year. This proposal was rejected by the City Council in the 2005-2006 budget process. Another idea is to provide a way for citizens to donate to Parks in return for benefits. Citizens could purchase a "Parks Card" which would provide benefits such as admission to special events, parks tours or discounts from retailers for recreational equipment.

2. **Program prioritization:** Prioritize which programs should be continued and which eliminated. Program prioritization will be part of the 2009-2010 budget, with the public process occurring in 2007.

Mr. Brubaker asked the Superintendent what are the Mayoral assumptions under which he is operating. For example, is the Mayor assuming no need for future capital projects? Mr. Bounds responded that this is not a correct assumption. The Mayor has stated that future levies would not include operation and maintenance costs, as these items should be in the basic General Fund budget. The Mayor's capital priority for 2006-07 is transportation, but he is interested in continuing capital park improvements. Open space impact fees, due next month, are one avenue for improving parks in Northgate, the International District and Center City.

To help the project prioritization process, Mr. Dunham asked if there was a comprehensive list of all park programs and their funding sources. He expressed concern that the Oversight Committee's expertise in Levy programs, and unfamiliarity with other Park programs, might skew their advocacy towards Levy programs. Mr. Bounds replied that the Department budget shows lines of business that reflect program categories.

Ms. Moty expressed concern about 2008 cuts in the General Fund and asked what impact this might have on Parks. Ms. Everson replied that there is a \$20 million General Fund problem facing the 2008 budget, resulting from recently adopted State legislation.

Mr. Stephens asked what the Oversight Committee's role will be regarding program prioritization and Levy wrap-up. He stated the importance for the Committee to be involved, especially to ensure that new facilities are maintained. Mr. Bounds responded that there is no legislative stated function for the Committee's involvement. However, their participation will be welcome and valuable because of the knowledge the Committee has developed. He suggested that, if the Committee was interested in taking a wrap-up role, he would ask the Executive and will most likely get a positive response.

Mr. Harper asked what subsidy is provided for Parks golf program. He wondered whether Parks could compare fees across programs to see if fees are equitable. Mr. Bounds responded that golf, aquarium, tennis center and Conservation Corps all pay for themselves – there is no operating subsidy. Other fees are based on equity, history, the market and inflation. Approximately 40% of swimming pool costs are covered by fees, and between 30% and 50% of community center costs. In some cases, Parks policies recommend subsidies; for example, youth athletic field fees are less than adult field fees.

Ms. Colwell noted that some organizations, such as Seattle Repertory Theater, have a 2 tier fee system, which provides for fees at a lower level and at a higher level that truly reflects costs. Mr. Garcia expressed a concern about raising fees and limiting access. Ms. Moty remarked that the \$198 million in the Levy covers less than half of the projects that were identified when the Levy was being put together. She noted the need for parks and open space never goes away.

Mr. Brubaker summed up that he was hearing that the Committee wanted a role in the program prioritization process, as well as in the overall level of support for parks. Mr. Bounds stated that in 2007 the strategic planning process will focus on where Parks is going regarding commercialization, access, gaps in service, and fees and charges. Ms. Klinker asked whether phase 2 of the strategic planning process will include the ideas generated in the Open Space 2100 planning process. Mr. Bounds responded that this information will be included in the inventory and gap assessment.

Committee Business

Mr. Brubaker asked if there had been any progress with the tough acquisitions. Mr. Bounds replied that Parks is pursuing property on First Hill which the Philippine government put up for auction. In the Denny Triangle Parks is exploring a partnership with the Cornish Institute, and a potential co-location with City Light in Downtown.

Mr. Brubaker asked whether Parks has kept up with the requirements of the Audit Report. Ms. Golub responded that Parks has, and she will prepare a report detailing Parks audit compliance.

The meeting was adjourned at 9:00.